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November 22, 2006

FILED ELECTRONICALLY AND ORIGINAL VIA 1ST CLASS MAIL SERVICE

The Honorable Charles L.A. Terreni
Chief Clerk
South Carolina Public Service Commission
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Application of Wyboo Plantation Utilities, Inc. for Approval of New
Schedule of Rates and Charges for Water and Sewer Services
Docket No. 2005-13-WS, ELS File No. 1015-10306

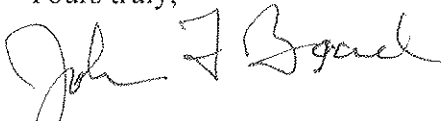
Dear Mr. Terreni:

Enclosed for filing please find the original and one copy (1) copy of the **Prefiled Rebuttal Testimony of Mark Wrigley** for filing on behalf of Wyboo Plantation Utilities, Inc. in the above-referenced matter. By copy of this letter, I am serving all parties of record in this proceeding and enclose my certificate of service to that effect.

Please stamp "received" the additional copy of this letter, and return in the enclosed envelope.

With kind regards, I am

Yours truly,



John F. Beach

JB/cr

Attachments

cc: all parties of record, w/a
Mr. Mark Wrigley, w/a

THIS DOCUMENT IS AN EXACT DUPLICATE OF THE E-FILED COPY SUBMITTED TO THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-13-W/S

IN RE:

Application of Wyboo Plantation
Utilities, Inc. for adjustment of rates and
charges for the provision of water and
sewer service

REBUTTAL TESTIMONY OF
MARK WRIGLEY

**Q. PLEASE STATE YOUR NAME, BUSINESS AFFILIATION, AND
REASON FOR THIS TESTIMONY.**

A. My name is Mark Wrigley. I am the President and Owner of Wyboo Plantation
Utilities, Inc. ("Wyboo"). I am filing this testimony in response to testimony filed
by the S.C. Office of Regulatory Staff ("ORS"), and the other parties of record in
this proceeding.

**Q. WHAT IS YOUR GENERAL IMPRESSION OF THE CUSTOMER
COMPLAINTS SURROUND THIS RATE PROCEEDING?**

A. Some of the complaints express legitimate concerns, but many are organized
attempts by the Property Owners Association ("POA") to undermine the utility's rate
request.

**Q. PLEASE COMMENT ON THE CUSTOMERS' LEGITIMATE
CONCERNS.**

A. Early morning water pressure has been a legitimate customer concern. This
condition arose this spring after Wyboo upgraded its water system. This upgrade

1 was performed by Southeastern Utilities of Turbeville. It was required by the
2 South Carolina Department of Health and Environmental Control (DHEC) to
3 address the need to expand the system to address customer growth. We knew that
4 this upgrade would be necessary when I purchased the system in 2001.

5 The Company initially proposed installation of an elevated tank. While
6 this proposal was initially accepted by DHEC as the best solution, the FAA
7 opposed it because they felt it would interfere with the flight path of aircraft
8 landing at the adjacent air field.

9 As an alternative, D.C. Barbott of Florence engineered a system where the
10 holding tanks were at ground level, and water pressure is provided by a series of
11 electric pumps.

12 Southeastern Utilities completed the upgrade in March, 2006.
13 Unfortunately, as we tested the system, and received feedback from customers,
14 we learned that the water system was experiencing lower pressure during the early
15 morning hours some days.

16 While I suspected that the problem was caused by the new pumping
17 equipment, D.C. Barbott insisted that the pumping configuration was adequate,
18 and that the problem lay elsewhere. They asserted that the pressure was lower
19 because many of the Wyboo customers were using sprinkler systems during these
20 early morning hours.

21 We investigated the problem and learned of a few things. First, even
22 though customers were experiencing lower than normal water pressures in the
23 early morning hours, pressure was still always higher than the 25 PSI minimum

1 required by DHEC. Second, while the sprinkler systems were contributing to the
2 problem, they were not primarily to blame. Finally, I discovered that the
3 manufacturer of the booster pump station had programmed the system so that only
4 two of the three new pumps were working at a given time. The third pump had
5 been programmed to act only as an emergency backup.

6 With this information, I finally convinced the manufacturer of the booster
7 station that they needed to bring the third pump into regular service, to work in
8 tandem with the other two. We then learned that placing this third pump into
9 regular service would place a load on the electrical service greater than the
10 installed service connections could handle. Consequently, Santee Electric would
11 have to substantially upgrade the electrical service by pulling an additional
12 service line to the pump station location. We believe Santee will finalize this
13 project by January 15, 2007, and that this will permanently resolve the pressure
14 issues Wyboo's customers have been experiencing. For the time being, Wyboo is
15 stationing personnel to manually cycle the third pump on during times when
16 pressure has been lower.

17 **Q. WHAT ABOUT THE CUSTOMER COMMENTS ON THE QUALITY**
18 **AND CLARITY OF WYBOO'S DRINKING WATER?**

19 A. Wyboo's water comes from wells within the service area. Wyboo's water meets all
20 DHEC and EPA requirements for quality and purity. Every drinking water source
21 has a certain degree of mineral content. While the POA members have
22 exaggerated the level of scaling or residue present in Wyboo's water, there is some

1 mineral content in Wyboo's water. This normal content is well within all
2 applicable DHEC and EPA limits.

3 **Q. WHAT RESPONSE DO YOU HAVE TO CUSTOMER COMMENTS**
4 **ABOUT YOUR DEMEANOR AND THEIR EFFORTS TO CONTACT**
5 **WYBOO WITH TROUBLE CALLS?**

6 A. I am concerned that certain customers have considered me to be brusque or
7 abrupt. While I was intending to offer assistance, after hearing their stories, I can
8 see how some of my customers may have interpreted my actions differently. This
9 was certainly not my intention, but my feelings toward those customers are not all
10 that important if my actions sent a different message.

11 I have made a real effort recently to present a more cooperative, helpful, and
12 friendly demeanor. I will continue to work on this in the future.

13 Having said that, I believe some customer comments at the night hearing and
14 otherwise are a little exaggerated. For instance, customers stated that as recently
15 as this past summer they attempted to call Wyboo and were connected to an
16 answering machine. This is not possible. On July 25, 2003 Wyboo began using
17 live answering service provided by Farmers Telephone. Since that date Wyboo
18 has used this answering service at any time that Wyboo's offices were not open.
19 Wyboo has not used an answering machine since July 25, 2003.

20 **Q. DO YOU HAVE ANY RESPONSE TO THE SERVICE CONCERNS ORS**
21 **WITNESS WILLIE MORGAN INCLUDED IN HIS TESTIMONY?**

1 A. Yes. I would like to respond individually to each of Mr. Morgan's concerns. In
2 the following answer I will set forth Mr. Morgan's concerns by number, and
3 provide Wyboo's response in italics:
4

- 5 1. Wyboo does not maintain its books and records in accordance with
6 NARUC System of Accounts for Class C utilities pursuant to 26 SC Code
7 Regs. 103-517 and 103-719.

8 *Wyboo will begin to maintain its books and records in accordance with*
9 *NARUC System of Accounts for Class C Utilities on January 1, 2007. Wyboo*
10 *has engaged a new accountant, and will be working with that accountant*
11 *between now and December 31 to ensure that our books and records will be*
12 *kept in an orderly fashion and in full compliance with the NARUC System of*
13 *Account for a Class C utility, going forward.*

- 14 2. Customer billing records are inaccurate and incomplete.

15 *Wyboo will keep accurate and complete billing records. This is another*
16 *function that we will work with our new accountant to perfect.*

- 17 3. Bank deposit records do not reconcile with ledger or QuickBooks software
18 reports.

19 *Wyboo will institute a new accounting system on or before January 1, 2007.*
20 *This new system will ensure that all bank deposit records reconcile with*
21 *Wyboo's internal accounting system.*

- 22 4. Monthly invoices/statements are not issued for customers who pay
23 monthly fees in advance.

1 *Wyboo will issue invoices/statements to all customers who pay monthly fees in*
2 *advance*

3 5. Customer account records are maintained in both ledger forms and
4 QuickBooks software. The two accounting systems do not reconcile.

5 *Wyboo will institute a new accounting system on January 1, 2007. This new*
6 *system will ensure that all components of Wyboo's internal accounting system*
7 *reconcile.*

8 6. Complaint records do not have a resolution provided on the complaint
9 form as required pursuant to 26 S.C. Code Regs. 103-516, 103-538, 103-
10 716 and 103-738.

11 *Wyboo will amend its complaint forms to include a place to note the*
12 *resolution of each complaint, in compliance with the referenced Commission*
13 *regulations.*

14 7. Complaint records ("Work Order System Report") show customers being
15 required to make an unauthorized payment to Mr. Eddie Barrett not
16 Wyboo for repair work on the Septic Tank Effluent Pump ("STEP")
17 systems. Mr. Barrett is listed as an employee of Wyboo; however, he is
18 being treated as an independent contractor.

19 *Wyboo will handle the financial aspects of all future repairs to STEP systems*
20 *in full compliance with the tariff provisions approved by the Commission in*
21 *this proceeding.*

1 8. Wyboo does not maintain proper procedures to ensure complainants are
2 notified that Wyboo is under Commission jurisdiction as required by
3 Commission regulations.

4 *Wyboo will follow the Commission regulations related to providing notice to*
5 *customers that Wyboo is under the jurisdiction of the Commission and that the*
6 *customer may notify the Commission of the complaint.*

7 9. Customer billing format does not include a rate schedule as required by 26
8 SC Code Regs. 103-532.1(d) and 103-732.2(d).

9 *Wyboo will comply with SC Code Regs. 103-532.1(d) and 103-732.2(d)*
10 *regarding notice on customer bills of applicable rates.*

11 10. Wyboo has charged rates and charges not authorized by the Commission.

12 The Commission is considering these unapproved rates under Docket No.
13 2006-327-WS. During the ORS Business Audit, the following
14 unapproved rates and charges were discovered:

15 i. Overcharge of the tap fee for establishing sewer service;

16 *Wyboo will only charged the rates set forth in the tariff provisions*
17 *approved and amended by the Commission from time to time.*

18 ii. Tap fee charged for establishing water service;

19 *Wyboo will only charged the rates set forth in the tariff provisions*
20 *approved and amended by the Commission from time to time.*

21 iii. Cut-on fee;

22 *Wyboo will only charged the rates set forth in the tariff provisions*
23 *approved and amended by the Commission from time to time.*

1 iv. Cut-off fee;

2 *Wyboo will only charged the rates set forth in the tariff provisions*
3 *approved and amended by the Commission from time to time.*

4 v. Illegal water use fee;

5 *Wyboo will only charged the rates set forth in the tariff provisions*
6 *approved and amended by the Commission from time to time, along*
7 *with applicable regulations related to illegal water use.*

8 vi. Water Service for Pool charges;

9 *Wyboo will only charged the rates set forth in the tariff provisions*
10 *approved and amended by the Commission from time to time.*

11 vii. Impact fee;

12 *Wyboo will only charged the rates set forth in the tariff provisions*
13 *approved and amended by the Commission from time to time.*

14 viii. DHEC sewer fee;

15 *Wyboo will only pass through those DHEC fees allowed by the*
16 *Commission through regulations, Orders and/or approved tariff*
17 *provisions. Wyboo acknowledges that this approval does not currently*
18 *extend to DHEC sewer fees.*

19 ix. Charges to customers for repair to sewer STEP system;

20 *Wyboo will handle the financial aspects of all future repairs to STEP*
21 *systems in full compliance with the tariff provisions approved and*
22 *amended by the Commission from time to time.*

23 x. Charges to customers for repair to utility water system.

1 *Wyboo will only charge the rates set forth in the tariff approved and*
2 *amended by the Commission from time to time. In normal*
3 *circumstances, Wyboo acknowledges that this would not include direct*
4 *charges to customers for repairs to Wyboo's water system. Wyboo*
5 *will directly charge for any such repairs only in response to the*
6 *extraordinary circumstances set forth in Commission regulations (e.g.,*
7 *S.C. Reg 103-733.5).*

- 8 xi. Double charging of DHEC Safe Drinking Water Act ("SDWA") fee
9 for same location.

10 *Wyboo will only charge DHEC fees as allowed by the Commission*
11 *through regulations, Orders and/or approved tariff provisions.*

12 *Wyboo will not double charge the SDWA fee to any single*
13 *customer.*

- 14 11. The SDWA fee authorized by DHEC and collected by Wyboo is not
15 managed properly. During the test year, Wyboo collected over \$14,000 in
16 SDWA fees by billing customers at a rate of \$3.50 per month per mobile
17 home park customer and \$2.38 per month per residential customer in the
18 Manning area. DHEC invoiced Wyboo in June 2005 for \$9,852, for its
19 SDWA fees. Wyboo recorded a payment to DHEC in the amount of
20 \$9,852. As set forth in S.C. Code Ann. Section 44-55-120 (Supp. 2005),
21 SDWA fees collected from customers can only be used to pay DHEC for
22 oversight of the drinking water system. Wyboo did not provide support
23 that the remaining balance of \$4,148 was escrowed in a separate account

1 for subsequent DHEC billings. In addition, ORS could not determine if
2 customer fees were subsequently reduced to offset this over collection.

3 *Wyboo will only pass through DHEC fees as allowed by the Commission*
4 *through regulations, Orders and/or approved tariff provisions. Wyboo will*
5 *account for these fees separately and will track, reconcile, and true-up all fees*
6 *billed and collected from year-to-year.*

7 12. Deposits are not refunded pursuant to 26 S.C. Code Regs. 103-531.5 and
8 103-731.5.

9 *Wyboo agrees to account for all deposits, including the return of deposits,*
10 *pursuant to the provisions set forth in 26 S.C. Code Regs., 103-531.5 and 103-*
11 *731.5. Wyboo believes that it has now refunded any remaining deposits as*
12 *required by these regulations.*

13 13. Interest payments on deposits are not made to customers pursuant to 26
14 S.C. Code Regs. 103-531.2(B) and 103-731.2(B).

15 *Wyboo agrees to account for all deposits, including the return of deposits,*
16 *pursuant to the provisions set forth in 26 S.C. Code Regs., 103-531 and 103-*
17 *731. Wyboo believes that it has now accounted for interest on deposits as*
18 *required by these regulations.*

19 14. Assessments of deposits are not handled a manner consistent with
20 Commission regulations. Wyboo is unable to provide supporting
21 documentation demonstrating that customers required to make a deposit
22 for water/sewer service meet the conditions outlined in 26 S.C. Code
23 Regs.103-531. Cedar Hill and Granada Mobile Home Park customers are

1 charged a deposit to establish service. In contrast, mobile home customers
2 near the Wyboo Plantation subdivision area have not been required to
3 provide a deposit since 2004. This method of assessing deposits based on
4 subdivision is discriminatory.

5 *26 S.C. Regs. 103-531 applies to sewer service. Wyboo only provides water*
6 *service to Cedar Hill and Granada Mobile Home Park customers. Therefore,*
7 *26 S.C. Code Regs 103-731 applies. Wyboo will ensure and document that*
8 *each customer of which Wyboo requires a deposit meets the conditions*
9 *outlined in the applicable regulations. Wyboo was requiring deposits of*
10 *Cedar Hill and Granada customers because they were transient rental*
11 *customers, and not because they were occupying mobile homes. Wyboo*
12 *treated all transient rental customers within the Wyboo service area similarly.*

13 15. Wyboo facilitated customer water and sewer tap fee payments to an
14 affiliated, privately-owned company, Wrigley and Associates, Inc.
15 Wrigley & Associates, Inc. has not obtained Commission approval
16 pursuant to 26 S.C. Code Regs. 103-502.2, 103-502.10, 103-502.11, 103-
17 503, 103-702.2, 103-702.13, 103-702.14, and 103-703 to charge a ‘rate’ for
18 utility service. Wyboo is the entity which should collect water and sewer
19 tap fees from lot owners and customers. Individuals who acquire water
20 and sewer taps should do so only from a Commission certificated utility or
21 a governmental entity which provides water and/or sewer service. The
22 payment of tap fees to an entity other than Wyboo makes it virtually
23 impossible to accurately track expenses and revenues for utility services.

1 Moreover, Wyboo is charging fees in excess of the approved sewer tap
2 fee.

3 *Wyboo acknowledges that Wrigley and Associates, Inc. is not a public utility.*
4 *Wyboo agrees and represents that Wrigley and Associates will not perform*
5 *any work for Wyboo customers unless the customer seeks Wrigley and*
6 *Associates to perform the work, and then only if the work is on customer-*
7 *owned facilities which Wyboo has no obligation to operate and maintain.*

8 16. Wyboo extended its service area without Commission approval. Wyboo
9 provides sewer service to customers in the Mill Creek subdivision without
10 having obtained prior Commission approval as required by 26 SC Code
11 Reg. 103-504.

12 *When I purchased the Wyboo system in 2001, the seller, Bill Gregory,*
13 *informed me that Mill Creek was part of Wyboo's certificated service area.*
14 *Wyboo is informed that Mill Creek Subdivision was already a part of the*
15 *Wyboo system when the Commission approved Wyboo's sewer service area*
16 *and rates in Commission Docket No. 1997-391-S, and was therefore also part*
17 *of Wyboo's service area when I purchased Wyboo's stock in 2001, a*
18 *transaction the Commission approved in that same year.*

19 17. Customers are not afforded the opportunity to select an economical rate
20 schedule. Wyboo personnel identify customers using irrigation water
21 service by driving through the service area and observing customer's use of
22 outside sprinklers and watering hoses. According to 26 S.C. Code Regs.
23 103-730.D, Wyboo shall assist prospective customers in selecting the most

1 economical rate schedule. Wyboo independently assigns irrigation
2 charges based on Wyboo observations. If the customer was aware that a
3 separate irrigation charge would be applied to all outside watering, the
4 customer may not choose to receive irrigation services from Wyboo.

5 *Wyboo does inform, and will inform all customers that they may elect not to*
6 *water their lawn with Wyboo's water service. If a Wyboo customer has*
7 *elected not to utilize Wyboo's irrigation service, and that customer is*
8 *observed watering his or her lawn utilizing Wyboo's water service, Wyboo is*
9 *informed that that customer is in violation of S.C. Code Regs 103-733.5. In*
10 *that event, Wyboo believes that it is required to take the actions outlined in*
11 *that regulation.*

12 **Q. DO YOU HAVE ANY RECENT OBJECTIVE INDICATIONS**
13 **REGARDING QUALITY OF SERVICE?**

14 A. Yes. Last month DHEC conducted a thorough survey of Wyboo's wastewater
15 treatment system. They awarded Wyboo a "Satisfactory" rating.

16 **Q. DOES WYBOO AGREE WITH ORS WITNESS CHRISTINA SEALE'S**
17 **PROPOSAL WITH REGARD TO THE TEST YEAR SALARY**
18 **ADJUSTMENT?**

19 A. No. Ms. Seale proposes to reduce our salary adjustment by almost \$100,000. The
20 salaries in Mr. Maready's testimony and our application are ones *Wyboo is*
21 *actually committed to pay.* ORS's testimony, if accepted by the Commission, will
22 force Wyboo to reduce its salaries by \$100,000. This will either mean that
23 Wyboo must reduce its office staff, or implement substantial salary reductions.

1 Either option will make it much more difficult for Wyboo to provide quality
2 service to its customers.

3 **Q. DO YOU AGREE WITH ORS WITNESS WILLIE MORGAN**
4 **REGARDING HIS CALCULATION OF WYBOO CUSTOMERS AND**
5 **CUSTOMER GROWTH?**

6 A. No, I believe that Mr. Morgan's testimony in this regard overstates both customer
7 count during the test year, and customer growth. The customer numbers in our
8 application and Mr. Maready's testimony are based upon my physical audit of the
9 entire system. In other words, our numbers are based upon my going from home
10 to home, recording the customer name and address, and confirming that with
11 Wyboo's billing system.

12 **Q. IF THAT IS TRUE, HOW COULD MR. MORGAN'S NUMBERS HAVE**
13 **BEEN DIFFERENT?**

14 A. In Mr. Morgan's defense, I believe his numbers were based upon some confusion
15 in the customer information Wyboo initially provided to ORS during its audit, and
16 in response to ORS data requests. Since Mr. Morgan filed his testimony we have
17 located additional customer ledgers and provided them to ORS and all parties as a
18 supplemental data request response. It is our hope that Mr. Morgan will use these
19 additional customer records to reconcile his numbers with the numbers contained
20 in Wyboo's application and its testimony.

21 **Q. WERE ORS WITNESS SEALE'S ADJUSTMENTS FOR RATE CASE**
22 **EXPENSES ACCURATE?**

1 A. No, but this was partially because of Wyboo's mistake. Wyboo has paid legal and
2 expert expense bills for work performed through August 31, 2006. Prior to Ms.
3 Seale's testimony, we provided ORS with billing records for these expenses. Our
4 attorneys mistakenly omitted the information showing Wyboo's payment of the
5 August invoices. Since that time we have provided ORS with that information,
6 which increases total paid rate case expenses by approximately \$13,000. Based
7 upon ORS four year amortization, this would increase its rate case adjustment by
8 approximately \$3,200. Wyboo hopes that Ms. Seale will include these paid
9 expenses in its calculations, and provide a revised adjustment to the Commission
10 in her surrebuttal testimony.

11 Naturally, Wyboo has incurred additional rate case expenses for work
12 performed in September and October, and November. Wyboo's rate case expenses
13 in September and October are approximately \$42,000. Wyboo will present its
14 invoices to ORS in support of these expenses in the same fashion that it has done
15 for previous rate case expenses. While Wyboo has not paid these expenses, it is
16 legally required to do so, and will do so. Consistent with the Commission's past
17 practices, Wyboo therefore requests that the Commission and ORS include these
18 expenses, and any other expenses Wyboo incurs and documents between now and
19 the hearing, in ORS's audit and the Commission's rate order.

20 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

21 A. Yes, it does.
22

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-13-W/S**

IN RE:

Application of Wyboo Plantation
Utilities, Inc. for adjustment of rates and
charges for the provision of water and
sewer service

CERTIFICATE OF SERVICE

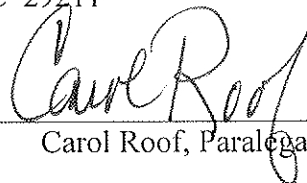
This is to certify that I have caused to be served this day, one (1) copy of the **Prefiled Rebuttal Testimony of Mark Wrigley** via electronic mail service and by placing a copy of same in the care and custody of the United States Postal Service (unless otherwise specified), with proper first-class postage affixed hereto and addressed as follows:

Jocelyn G. Boyd, Esquire
Hearing Officer
South Carolina Public Service Commission
Post Office Drawer 11649
Columbia, South Carolina 29211

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Carol Roof, Paralegal

November 22, 2006
Columbia, South Carolina